G. R. S. IX-5]

Previous references

1915.

(G 7)

File No. 65-15

Serial Nos. 1-7.

Later references.

9788-20-3.

p. 452 b

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-7.

Part B for June 1920.

SUBJECT.

Scheme for the establishment of a share market in Bangalore

Ordered to be filed

(illegible) B. S

8.6.20

14.8.20

1261

G.R.S. 11] 1915-16

GENERAL AND REVENUE SECRETARIAT.

(Gl Rev)

NOTES.

File No. 63

FILE HEADING.

Opening a Share market in Bangalore

From The Comptroller

No. 4867 / R272 Dated 23-12-15 / 3-1-16 Received 4. 1. 1916

Diary No. 1719 Enclos. 1 Spare Copies. Serial No. 1

BRIEF ABSTRACT OF LETTER.

Submits for sanction a scheme for the establt of a Share market in Bangalore.

NOTES AND ORDERS.

The proposal is made in consultation with Mr Rose, Manager of the Bank of Mysore. A set of rules for the conduct of the market is also forwarded.

Subd (2) It is not ~~exactly~~ quite clear what Govt

put up 6/1

NOTES—First Sheet.

GPB—35,000—15-6-12

R. S. 12]

General and Revenue Secretariat. | G 7 File No. 65 of 191 5.

Serial No.	
	has to Sanction the Institution will be of a private character and may be studied by the individuals concerned. If Sanction of Govt may be given to the Comptr ~~forming~~ the being one of the members of the managing Committee (Reserved)
	(3) 1) Govt may say that they approve of the idea and sanction the Comptroller being a member of the Committee. The Comptroller may also be requested to help the movement & develop the institution in course of time & a regular association with a proper constitution.
	Draft Sd. (2nd member)
A	(4) Is there really much business of this character transacted or likely to be transacted in Bangalore? ~~Can the~~ Has the Comptroller any idea of
B	the amounts held in shares

967

6.1.16

8/1

10-1-16

NOTE—Contn. sheet.

GPB—20,000—30-6-15

Serial No.

in the State? Is it meant
C | to develope Speculative deal-
ing in Stocks & Shares? Can-
D | not the matter be left to be
dealt with by the Mysore
Bank or by the Chamber
of Commerce (when it is
started) without asking for
any recognition from Govt
participation of the
or the Comptr in the business?
(5) I should like also to
E | have a statement of busi-
ness done by the Agency opened
in the State Treasury.

15/1/16

Hon'ble (6)

A. There is some business. More ought to be more.

B. ~~Above~~ Above 100 lakhs I should think

C. That is not the object, but may result to some extent.

D. The Mysore Bank will have to go to some market, Madras or Bombay for such transactions. It is proposed to create the

1031

GPB—20,000—30-6-15

G. R. S. 12]

General and Revenue Secretariat. | G 7 File No. 65 of 1915.

Serial No.

market itself.

Vide statement attached.

(10 member.)

(7) If the business is within the scope of the Mysore Bank they may organise it. Government may allow the Comptroller to be a member though I do not see any need therefor. The rules are all such as the law already lays down and if they go beyond in any particular, they will become incapable of ~~the~~ enforcement.

8. I would send a reply to this effect.

D Rowan

11/3/16

4828
14/3/16

9. If the Financial Secretary has no objection, the proposals may be referred to the Industries and Commerce Committee, for their remarks.

10 The Secretary, E. & A., may also consult

NOTE—Contn. sheet.

GPB—20,000—30-6-15

179

G. R. S. 12]

General and Revenue Secretariat. G 7 File No. 65 of 1915.

mis 582-15
E+A.

Serial No.

some of the leading gentlemen in Bombay. Should he find any difficulty in eliciting opinions, I am prepared to write and find out.

11. Mr. Chakravarti deserves the thanks of Government, for taking the initiative in this matter. 10.5.16.

Floors

1736

12. I see no objn to the course desired by Dewan Sahib. Secy E & A may kindly take action accordingly. The new Chamber of Commerce may also be consulted. I am prepared for some hostile criticism of this scheme but when we consider all points I think the balance of advantages will be in favour of the scheme.

Bor. VJ 11/5

Bombay 13. 13/5
14/5
Sec'y E+A

14. I can consult the Lakdawala and some others. Before doing so there is one aspect of the matter that deserves further consideration. I believe the Presidency Banks do not

NOTE—Contn. sheet.

GPB—70,000—17-12-15

mis 582-15

G. R. S. 12]

General and Revenue Secretariat. | File No. 63 of 1915.

Serial No.	
	requisite Imperial Govt securities. There are very few other securities in which there are any transactions in the Bank. We have therefore to consider what steps we should take to secure requisition. I shall be glad if the Asst Secy can in consultation with Asst Secy Br II put up a note on this aspect of the case
	Sjn
15	5/5/16
	Forwarded with Compliments to the Asst Secy Br I. I shall see him today or tomorrow
	Asst Secy Br I. 15/5
	Br II.
16.	Please ascertain & note below whether Presidency Banks cannot deal with Imperial Govt Securities. Some book on the Comptroller's Manual may be referred to.
	24/5/16
	Submitted
17	Sections 36 & 37 of the Presidency Banks Act read together seem to make it clear that the Banks cannot deal with Imperial Govt securities. Reference is also invited to the First Asst Secy's note dt 1-12-13

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G. R. S. 12]

onio 582-15

General and Revenue Secretariat.

G.7 File No. 65 of 1915.

Serial No.	
T	on page 4 of the office notes in G.7-34-13
	sls 2-4-15, post up.
	18. The Govt of India have
U. G734-13-8	recently permitted the payment of interest
	on rupee securities in the District Treasuries
	in Br India. Arrangements have also
V. G.7 34-13-1	been made with the Bank of Madras for
	the payment at the Bank of the interest
	on rupee securities held by people in Madras.
	19. The books noted in the margin
x 1. Indian finance Currency & Banking by S.V. Doraiswami	were consulted; but they give no in-
2. Indian Currency & Finance by J.M. Keynes	formation on the point raised.
	Asst Secy 25/5.
	20. The Presidency Banks are precluded from
	investing their fund in rupee govt securities or
	lending money on their security ~~not~~ as per
	Sections 36 & 37 of the Presidency Banks'
	Act. But in practice they may lend
	money taking these securities as security but in
	addition getting a promissory note signed
	by one or more people (Vide pp. 200 & 201
	of Keynes' Indian Currency & Finance)
	Br VI) Cy 26/5
	Cy 27/5
	Please put up - with the Presidency Banks' Act & the books referred to Cy 31/5

NOTE—Contn. sheet

Br VI
Completed 26/5/15

GPB—70,000—17-12-15

Immediate

Assistant Secretary, Finance.

2 Sometime ago I suggested to Government the creation of a security market. Where is that file ? Please get it and attach to it the extract sent herewith and send the file to me for further action.

9th July 1916.

9/7

23
File sent herewith. It has been for- me 14/7 back from the Secretary Economic Enquiry fr. 14/7
fr. Secretary):

URGENT.

Seen. I shall be obliged if Secy E & A will kindly expedite the issue of orders. It will be noticed that I anticipated by 7 months the suggestions now put forward in the money market columns of one of the foremost papers in India which deals with such questions.

24/7

Rec 26/7

For VSJ

26/7

9

Extract from the Money Market column of the Times of India, July 8th 1916.

---

xx xx xx

Just fancy, the United Provinces with a population of 47 millions not having a syock exchange; Bihar and Orissa - with 34 millions is labouring under the same difficulty. The 20 million ~~of the~~ virile people of the Punjab have not - the blessing of a stock exchange. We wonder how this state of affairs appears to the India Council and whether it ever occurs to Government to subsidise stock exchanges all over the country. We - ventyre to say that the Government should pay the whole expenses of building the Calcutta Royal Exchange. We would further suggest the the present Currency Building in Bombay on its vacation should be handed over for starting a Government paper exchange. Government should promptly give a building and a donation to to any town of hundred thousand people desiring to start a stock exchange. By this process and this process alone Government securities can become popular and have a broad and stable foundation. We are sorry to say that we have looked in vain for any reference to stock exchange activities in the reports of the

the Controller of Currency. The Finance Departments of the European -- countries and of the United States and of Japan are rightly connected with their stock exchanges, but the Government of India has never understood this problem and scarcely knows the importance ~~a~~ -- attached to it. It was pointed out to the Royal Currency Commission by a Bombay witness that the opening of stock exchanges in India would not only turn a portion of the demand for gold towards securities, but would also help Government to raise larger loans in the Indian markets xx xx

xx xx xx

Copy

JBS

9.7.46

088
W27

E.C. File no: 63 of 1916-17. (Sect. file nos 65 of 15-16, 34 of 16-17 and 13-14 are also enclosed)

His office letter no: 513 dated 28-7-1916 to the Secretary, Industries & Commerce Committee requesting to forward the opinion of the Committee re- the Scheme for the establishment of a market for shares and Securities in Bangalore. V.P. A draft reminder requesting to send the opinion of the committee early is put up for approval.

AS
7/9
Cus
7.9.16.

Letter no: 878 dated 8th September 1916 from the Secretary, Industries and Commerce Committee, forwarding copy of letter from Mr: Rose, Manager Bank of Mysore, and also the resolution of the Committee that the ~~proposal~~ establishment of a market for shares and Securities in Bangalore cannot be recommended.

Submitted for information & orders

AS
11/9
Cus
13.9.16.

13/9

To Financial Secretary for favour of remarks - Both Mr Rose and the I & C Committee consider that there is no scope at present for establishing such a market

P. J. C

for
15/9/16

15/9

Mins 582-15
& 65

G. R. S. 12]

General and Revenue Secretariat. | G7 File No. 65 of 1916.

Serial No.

2 56

I invite attention to the typed extract from the Money market columns of the Times of India which I have placed in the file.

2) Mr Rose's opinion is not altogether unfavorable.

3) The I & C committee vote was against by 5 to 3.

4) Of course I am not under the delusion that the Bangalore security market will soon become something like the Calcutta Exchange or the Bombay Brokers' Association. But I am strongly of opinion that a beginning should be made & the experiment has some chance of developing a very useful institution. It costs practically nothing. Why should it not be tried?

5) If Govt will permit I may organize and start the market, of course on the distinct understanding that Govt take no responsibility whatever.

(Mr Meerbs)

252
12.10.16

6) I freely support the scheme & have certain limited practical

NOTE—Contn. sheet

12/10

GPB—70,000—17-12-15

12/10

330.
16-17

G. R. S. 12]

General and Revenue Secretariat. | File No. of 191 .

Serial No.

330 Bombay

Key

17/10

Nov 5 8 2 15

Shall be considered at a meeting of Council to

3 3 Shall be considered at a meeting of Council to

2nd Instn 18/10/16

Chairman

I have also communicated the views in Bombay Govt. on the scheme with my Govt. Council

3 6

I have no objection

189 18.10.16.

W

Dy/10

J. Chamberlain Secy Govt 21.10.16

3 The delay in the case is due to some of the men who were to be consulted not being readily available I submit herewith the views of the Bombay Govt on the scheme — shall be considered at a meeting of Council

Replies for Bombay not received

6493 12-5-17

Chairman

A 24/5/17

Recd 26/5

NOTE—Contn. sheet.

23.7.17

To Lord Ley

GPB—70,000—17-12-15

D. O. No. 1739 Dt 21.10.16.

My dear Sir,

There is a proposal for establishing a market ~~for~~ shares and securities in Bangalore. ~~The people here have~~ with a view to ~~considerable difficulty in~~ negotiating securities and ~~the establishment of such a market may enable us~~ to help the people ~~to put~~ their savings for ~~xxx~~ utilisation in profitable channels. ~~I shall be thankful~~ if you will kindly let me have your ~~views at~~ an ~~early date~~ on the scheme. As you have ~~great experience in these matters and also~~ kindly ~~told me that I could freely appeal~~ to you for ~~assistance in~~ matters calculated to promote the industrial advancement of the State, I trust you will excuse me for the ~~liberty taken~~.

Yours sincerely,

Lalubai Samaldas Mehta, Esq., C.I.E.

Copy of D.O. letter No. 530/. dated the 15th April 1917, from the Secretary, Mysore Economic Conference, Bangalore, to Mr. J.K.Mheta, ~~xxx~~.M.A., Commercial Correspondent, Bombay.

I send herewith a proposal for establishing a market for shares and securities in Bangalore. I shall esteem it a great favour if you will kindly consult some leading brokers and favour me with your opinion as to the practicability of the scheme and the lines on which ~~xxy~~ it may be improved.

The favour of an early reply is requested.

J. K. MEHTA M. A.
SECRETARY, THE INDIAN
MERCHANT'S
CHAMBER AND BUREAU
AND JOURNALIST.

Old Telephone Buildings,
19 BANK STREET,
Dated 20th April 1917. ***Bombay.***

THE MYSORE ECONOMIC
BANGALORE.
No. 4167
Date. 27.6.17
CONFERENCE OFFICE.

From,

J. K. MEHTA Esq, M. A,
BOMBAY COMMERCIAL CORRESPONDENT,
MYSORE STATE,
BOMBAY.

To.

Dear Mr. D'souza,

Yours of the 15th instant D. O. No. 5307. I am consulting the well-known brokers of this place regarding the scheme for establishing the market for shares and securities in Bangalore and shall let you know as soon as possible their opinion and also my opinion on the question.

Yours sincerely,

To

P. G. D'souza, Esquire,
Secretary,
Mysore Economic Conference,
BANGALORE City.

J. K. MEHTA M. A.
SECRETARY, THE INDIAN MERCHANT'S CHAMBER AND BUREAU AND JOURNALIST.

Old Telephone Buildings,
19 BANK STREET,
Bombay.

Dated 26th April 1917.

From,

J. K. MEHTA Esq, M. A,
BOMBAY COMMERCIAL CORRESPONDENT,
MYSORE STATE,
BOMBAY

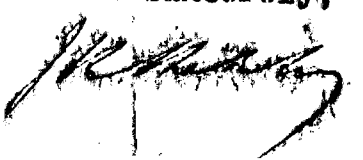
To,

Dear Mr. D'Souza,

With reference to your letter of the 15th instant D. O. No. 5307 I saw Sir Shapurji Broacha to whom I had sent a copy of your scheme on the establishment of a market for shares and securities in Bangalore. He does not think much of the proposal and fears that it will still-born. Bangaloro is not a commercial city and again in his opinion a stock exchange should evolve itself from the commercial community and not be started by Government and given to it ready made. Sir Shapurji Broacha wishes that his opinion should be ------ considered as confidential.

Mr. Kikabhai Premchand of Messrs. Premchand Raychand & Sons the well-known share broker of this city sends to me his opinion in writing, a copy of which I herewith enclose. The exact name of the London Stock Exchange Book to which he refers in his letter is " Rules and Regulations of the Stock Exchange published under authority by Edward ------ Satterthwaite, Secretary to the Committee for General ------ Purposes, New Court, Throgmorton Street, London. "

Yours sincerely,



COPY.

Dear Sir,

I am duly in receipt of your letter of the 20th instant, and in reply I write to inform you that I, in the first place, don't think ~~it~~ that if any stock exchange is opened at Bangalore, they will ever pay anything, as it is not a commercial centre, and there are no industrials in that town worth investing.

However., in case the Mysore State wishes to open a share market in spite of this, the best rules to be ------- followed are of the Calcutta and London markets. The rules and regulations of the Bombay share market are defective in many ways and should not be entirely followed. The details of the regulations of the Calcutta Stock Exchange can be had on applying to Calcutta. If necessary I can send you for your perusal the rules and regulations of the London Stock Exchange also.

Yours faithfully,

Sd/- Kikabhai Premchand .

J. K. MEHTA M. A.
SECRETARY, THE INDIAN MERCHANT'S CHAMBER AND BUREAU AND JOURNALIST.

Old Telephone Buildings,
19 BANK STREET,
Dated 9th May 1917. Bombay.

From,

J. K. MEHTA Esq, M. A,
BOMBAY COMMERCIAL CORRESPONDENT,
MYSORE STATE,
BOMBAY

To,

Dear Mr. D'Souza,

In continuation of my letter of the 26th April 1917 I am sending to you herewith copy of a letter I have received from Dadiba Merwanjee Dalal another leading broker of Bombay.

Yours sincerely,

J K Mehta

C O P Y.

Your letter of the 20th ultimo only came to my hand on my return from England on the 1st instant.

I am not acquainted with the financial and commercia situation of Bangalore, and feel diffident in giving any views regarding establishment of a share market about which you ---- write.

Instead of endeavouring to hold the market once a week it might be advantageous to hold weekly auction sale under the auspices of the Government of Mysore.

The stock exchange cannot have a broad basis if it was to assamble once a week, and unless a free market was ------- established transactions could not be put through.

I remain, Dear Sirs,
Yours faithfully,

Sd/- Dadiba Merwanji
Dalal..

(Informal)

(For Disposal at a Meeting)

No. C. 78

11-8-1917

GENERAL AND REVENUE SECRETARIAT.

COUNCIL MATTER.

SUBJECT.

Proposals for establishing a market for shares and securities in Bangalore.

L. O

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,
D. M. Narasinga Rao.
Secretary to Government.

9th August 1917.

Extraordinary Member of Council. Absent from duty

638/16/8 **First Member of Council.** 1518 dtd 16/8

314/11-8-17 **Second Member of Council.** 1518 dtd 11/8

WD 2670—GPB—1,000—11-5-17

M. of J. 7-5 D/719-18

(21) (35) D 34-18.

(Informal)

Subject.-

Proposals for establishing a market for shares and securities in Bangalore.

OPINION OF THE COUNCIL.

May be deferred for the present.

Mr Fuller) 6-5-18.

Put up in July 1918.

18/7/18

Subd. 5-7-18 Fuller)

18/5/18

Put up in Oct 1918 = appln deserves

13/7 18/7/18

Subd

Pass 30/11

D 34 - 1910

G. R. S. 12]

General and Revenue Secretariat. File No. 67 of 1915.

Serial No.	
	45 Submitted. Attention is invited to the remarks on flat previous page (Secy) 18 21.12.10
	46 Put up in July 1919.
	47 Seen.
	48 Resd. 22/7 (Secy) 24/5 I do not think Conditions have changed in favour of the proposal since the decision to defer it was arrived at. The best view of the proposal is that of Sir Dhunjibhoy Bomanji and we may adopt his advice and give up the idea of establishing a market for shares & securities under government auspices - of the Commercial Community

[Office note-keeping purposes]

1424/26/07

19/1/12 26

Secy

21.12.10

Secy

9/1/19

9.1.19

To be kept with connected papers

To be kept with connected papers

10-2-19

195/24/7

NOTE—Contn. sheet.

GPB—70,000—17-12-15

34-18

2

G. R. S. III-2]

General and Revenue Secretariat. | Q7 File No. 65 of 1915.

Serial No.

starts if Government may show such reasonable consideration as the Conditions of the Scheme may deserve.

mmh 28/7/19

Dewan/r

I do think it is desirable to make a start, the sooner, consistent the views of the Chamber Commerce may be obtained

1/8/19

mmh 1.8.19

Draft 18 2/8

DEPUTY'S OFFICE
Recd on JUL 28 1919
Reg. No. 689

Mr. Rose's opinion as Manager of the Bombay electors is entered. 18

Send with draft Secy 18 7/8

361 5/8 8/8

mmh 9.8.19

Issue/r 12/8

To the Secy Chamber of Commerce

No 9L 1172 Q7-65-15-2 D 14.8.19

NOTE—Con. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 68 of 1915.

Serial No.

Forward a scheme proposed for establishing a market for Share & Securities in Bangalore for favour of their views and request their Suggestions for making it a Success.

3 From the Secretary Chamber of Commerce No 478 d: 10.9.19.

Acknowledge receipt of the Last Serial and states that while they have doubts of the Success of a share market at present - they are disposed to recommend that a trial be given to the Scheme

Subd: for ~~pleasure~~ orders.

DOKo 13/9.

13/9 Jesery 18/10.19.

Dewan 29/10/19 18/10/19

The H.C. Committee might be asked to work up & submit a complete scheme for our

Secy. 30.10.19

Secy 31.10.19

Draft 18 31/10

20.11.19

Note—Contn. sheet.

9886/24/10

Re file this not been called for by Govt. It has been sent to Govt. 18 18.10.19.

DEWAN'S OFFICE.
Recd. on OCT 29 1919
Reg. No. 27 58

9132

2

G. R. S. III-2]

General and Revenue Secretariat.

97 File No. 65 of 1915.

Serial No.	
	Subd weeko draft
	dorker 9/11/19 b. 1 recd with revised draft
	dorker 6/11. 1 b. Issued 11/11
4	To the Secretary D t C Committee No Pl 2887 97 65-15-4. d 13.11.19. Forwards for information copy of letter no 478. d 10.9.19 from the Secy Mysore Chamber of Commerce Bangalore stating that the Chamber of Commerce do recommend a trial being given to the Scheme and requesting them to place the subject before the D t C Committee for being worked up and a complete scheme being submitted to Govt.
	From the Secy. Board of Industries & Commerce No 9182. d. 8.1.20. States that with refce to the previous serial forwards the resolution of the Committee passed at their 75th meeting held on 12 12/19. recommending the postponement of the consideration of the question until such time as some idea of the working of the newly opened share market at Madras is obtained

NOTE—Contn. sheet.

22253

G. R. S. III-2]

General and Revenue Secretariat.

G 2 File No. 65. of 1915

Serial No.

The resolution of the Committee runs as follows:—

"that the question might be over for the present and that it might be taken up after the experience of the newly opened Share market at Madras were known."

Submitted

1947 16.1.20

18.1.20 Jesuy 18/1/20

Ison 13/1 Dewan

Mnl 19.1.20 18 19.1.20

DEWAN'S OFFICE.
Recd. on JAN 20 1920
Reg. No. 4855

NOTE—Contn. sheet.

G. R. S. III-2

2223

General and Revenue Secretariat.

G. F. File No. 65 of 1915.

Serial No.

4855

6) It is not clear why we should wait until we have some experience of the working of the newly opened Share Market at Madras. Apart from Madras, there are six Stock Exchanges working in India - 2 in Bombay, 1 in Calcutta, 2 in Ahmadabad 1 in Surat. I should suggest that the Industries Board may get the required information regarding the working of the Exchanges in Bombay , Ahmadabad and Surat and formulate a scheme if possible.

31.3.20

6a) Please advise Secy to the B accordingly

1.4.20

1410

6 1

Subd w/lr- draft for approval

3/4/20

Issued 18

6/4

6/4

6) To the Secy Board of I & C.

No Jl 7298. D: 8.4.1920.

Suggests that as there are, apart from Madras Six Stock Exchanges already working in India the Board may get the required information regarding the working of the Exchanges in Bombay Ahmadabad and Surat and formulate a scheme if possible

NOTE—Contn. sheet.

3887

G. R. S. III-2]

General and Revenue Secretariat.

57 File No. 65 of 191 5-

Serial No.	
	From the Secy to the Board of Ind: & Comrce
	No. 2176 dated 17. 5. 20.
7	with reference to previous serial - states that the subject was again ~~requested~~ placed before the Board. & they have reaffirmed their original resolution as that there is no necessity for Creating a Share market in Bangalore.
	Subd ~~for perusal~~ ~~orders~~. with reference thereon to the Demand order dt. 31-3-20
	Dewan) 18
	26/5
	Dewan ~~file~~ file in the funds
	7.6.20 18
	8/6.

DEWAN'S OFFICE.
Recd. on MAY 29 1920
Reg. No. 7904

225/20

9/6/20

NOTE—Contn. sheet.

Gl. 17]

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government window dilivery No. 6, Bangalore.

the communications

One: one

No. 4867
R.272.

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 23rd December *1915*.

3/1/16

FROM Rajamantrapravina Diwan Bahadur
J. S. CHAKRAVARTI, ESQ., M. A.,
F. R. A. S., ETC.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

To

.....Esq.,

The *Secretary to the Government of Mysore,*

.....Financial.....*Department.*

SIR,

I have the honour to submitt to Government that on account of the recent industrial and commercial developments in the State, it is necessary to tap the savings of the people as far as possible for utilization in profitable channels open to the people and to the State. One chief drawback in this direction is generally felt to be the want of facilities in the State for negotiating securities. Some help in this direction was offered by opening an agency in the State Huzur Treasury for the purchase and sale of Government securities and Kolar District Board Railway debentures, payment of interest on which is guaranteed by Government. But further action in this direction is perhaps desirable.

2. The creation of a market for all kinds of dealings in securities with the help of the Bank of Mysore would in my opinion be a decided step in advance. I beg therefore to propose the establishment of a market for shares and securities in Bangalore. The accompanying is a rough scheme for establishing such a market. Mr. W. M. Rose, Manager of the Bank of Mysore, Ltd., who was consulted in the matter has expressed himself in favour of the proposal and

Rec.—Gl. 17]

.....Department.

1916.

FROM

J. S. CHAKRAVARTI, ESQ., M. A.,
F. R. A. S., ETC.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....ESQ.,

Secretary to the Govt. of Mysore.
Financial .....*Dept.*

Dated

Despatched 3/4/16

Received

No. 4867 Ey
1272

Subject matter.

Submits for Sanction of Govt a Scheme for establishing a market for Shares and Securities in Bangalore.

COPY No. 1719

15-3-16
Q.7
65-15
No. 1

GPB—2,000—17-7-12

and after fully going through my draft scheme has offered his own suggestions in the matter which have been incorporated in the scheme herewith submitted. I beg that Government will be pleased to sanction the scheme at their earliest convenience.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller.

U.

28/12/15

31

A proposal for establishing a market for shares and securities in Bangalore.

---

1. The market may be held weekly. Wednesday 3 to 4 P.M. may be fixed for the present.

2. It may be held in the premises of the Bank of Mysore.

3. Until the place and time of weekly meetings become well-established and generally known, the particulars may be advertised in the local papers a week or two beforehand.

4. Any one having shares or securities to sell and any one willing to buy will be admitted to the market room. Admission will be free for the present to approved parties, but after some time a suitable price will be charged for an admission ticket. All buyers and sellers must however first subscribe to the rules of the Association.

5. Only one buyer and one seller will converse at a time. ~~and both retire when their~~ A buyer or seller should retire as his business is completed.

6. Transactions may be completed in the market by the payment of cash and delivery of securities or shares or by the signing of contracts accompanied by deposit of earnest money at the option of the seller.

7. Persons without Bona Fide intention of buying or selling will not be admitted to the market.

8. Persons willing to attend the market will obtain an admission card from the President of the market, on the day previous to the market day. When applying for admission cards, applicants should state definitely that they want to buy or sell securities or shares. Particulars of what they want to buy or sell need not be furnished beforehand.

9. The proceedings of the market will be supervised by the President of the market. He will preserve order and supply information regarding quotations in different markets to the extent possible. He will also arrange for necessary facilities

for

for transactions e.g., stamps, stationery, clerical assistance, etc., but he will not have any responsibility as regards any transaction for which the parties to the transaction will be solely responsible.

10. Each person attending the market should have a slip of paper on which will be entered the nature of securities he wants to buy or sell. ~~The bids entered in the slips will not be obligatory if more favourable bids can be secured in the market or if the buyers or the seller changes his mind after giving the bids at the market.~~ Both seller and buyer will pay a commission of 1/8th per cent to the funds of the Association on all completed transactions.

11. Nothing which a buyer or a seller may say in the course of transactions in the market will be binding on him until contracts or agreements are actually signed.

12. A summary of the business done on each market day will be published in the local papers by the President of the market.

13. The affairs of the market may be managed for the present by a Committee consisting of (1) the Manager, Bank of Mysore, (2) the President, Bangalore Trades Association, and (3) the Comptroller to Government. As the work develops, a proper constitution with suitable rules may be adopted.

Jchakravarthi
Comptroller

3:1

GPB—1,000—4-12.18

191

From

The Secretary to the

Mysore Economic Conference.

To The Secretary I & C

Committee.

Dated 28.7.16

Despatched 28.7.16.

Received

General No. 513

No.

Enclosure No. 1

S i r,

I am desired to forward herewith a scheme prepared by the Financial Secretary for the establishment of a market for shares and securities in Bangalore and to request you to be so good as to place the proposals before the Committee at its next meeting and forward the opinion of the Committee for the consideration of the Government. Reference is invited also to the Money Market column of the Times of India dated 9th July 1916.

I have etc.

Secretary.

MYSORE ECONOMIC CONFERENCE
INDUSTRIES AND COMMERCE COMMITTEE,
" BEDFORD HOUSE "

THE MYSORE ECONOMIC CONFERENCE
BANGALORE.
No. 1032
Date. 9.9.16
FROM CONFERENCE OFFICE

No: 878
Encs 2.

Bangalore, 8th Sept 1916

C. RANGANATHA RAO SAHIB, Esq., B. A., B. L.,
Secretary, Industries & Commerce Committee.

To

P. G. D'souza, Esq., B. A., B. L.,
Secretary, Mysore Economic Conference,
Bangalore.

Sir,

With reference to your letter No. 531 dated 28th July 1916, forwarding a scheme prepared by the Financial Secretary for the establishment of a market for shares and securities in Bangalore, I have the honour to forward the copy of a Note by Mr. Rose, Manager of the Bank of Mysore, as well as an extract from the proceedings of the Committee relating to the subject. The Committee do not recommend the proposal.

I have the honour to be,
Sir,
Your most obedient servant,

C Ranganatha Rao Sahib
Secretary.

Copy of the letter No. Gl. 7/12902 dated 25th Augst. 1916 from the Manager, Bank of Mysore to the Secretary, Industries & Commerce, Committee, Bangalore.

****

I am in receipt of your letter of the 22nd inst. No.718 asking for my opinion on the scheme prepared by the Financial Secretary for the establishment of a market for shares and -- securities in Bangalore.

There can be no question that a scheme of this nature is a necessity both as an ~~xxjxxxxxx~~ adjuntt to the development of Joint Stock Companies, and for facilitating dealings in Securities and Shares of local companies not dealt with on outside Stock Exchanges The chief points for consideration are whether: (1) There would be sufficient local business to ensure success to such a scheme (ii) Should it be under Official auspices or one entirely under the direction of a body of individuals who would be prepared to ~~xc~~ act as dealers as well as Brokers to the public.

As I read the scheme, it is open to any member of the public to join the proposed Association without any responsibility -- attaching to ~~xxx~~ his membership. The Committee of an Association of the nature proposed should have some control over the actions of its members- such as complete exclusion from attending the market, inspection of books &c. For example, the ~~establishment~~ enforcement of rule 10 will scarcely be practicable.

Under present prevailing local conditions, the prospects are scarcely inviting enough to a single outside broker- much less to a body of dealers or brokers. And whether the public will be contented to deal in so limited a market as at present exists, is also more than doubtful. The principal advantage is the fact that once a week buyers and sellers are likely to assemble at a given locale.

Finally. in the matter of the Association of this Bank with the scheme, I cannot give any definite reply as it is one for the Directors to decide.

****

Ranganathan Sahib

Secretary.

Proceedings of the 49th meeting of the Industries and Commerce Committee, held on the 26th August 1916.

X X X X X X

IX. Market for Shares and Securities in Bangalore:--

The Note on the proposition by the Financial Secretary was circulated. The remarks of Mr.Rose, the Manager of the Mysore Bank on the Note were read. Mr.Garudachar considered that there was at present no necessity for such a market. It was also argued that no real market can be created unless professional brokers were recognised. The proposal was thrown out by a majority of five against three.

X X X X X X

Extract

C Ranganatha Rao Sahib

Secretary, Industries and Commerce Committee.

3

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT

( )

the 191

Date of issue 14/8/17

Signed by W Greenlaw

Section 8/78

File No. 68—15

Serial No. 2

No. 76117-2 & 14/8/17

To The Chairman

Chamber of Commerce

Bangalore

Sir,

I am directed to forward herewith the draft of a Scheme proposed for establishing a market for Shares and Securities in Bangalore

PT over.

And to request you to
be so good as to
favour Govt with
the views of the
Chamber on the Scheme - Comments & requests/suggestions
~~of the~~ the.
for making it a success.
~~Practicability of~~ the
Scheme and the
~~has~~ prospects of the
market of opening

List of enclosures.

I have the
honour to be
Sir
Your most obedient
Humble Servant

Copied by

Examined by

WD 1744—GPB—80,000—19-3-19

D 932-37

97 65-15-3.

Mysore Chamber of Commerce.

POST BOX
No 39.

Bangalore, 10th September 1919

No.478.

From

L. S. V. Rama Iyer, Esquire,
Secretary, Mysore Chamber of Commerce, Bangalore.

To

The Offg. Financial Secretary to the Government of
His Highness the Maharaja of Mysore, Bangalore.

I have the honour to acknowledge the receipt of your letter No.1172/G.F.65-15-2 of 14th August 1919 asking the views of the Chamber regarding the draft scheme proposed for establishing a market for Shares and Securities in Bangalore.

In reply I am desired to state that the proposal was ---- fully discussed by my Committee at their meeting held on the 9th instant and that while they have doubts of the success of a ---- Share-Market at present, they are desposed to recommend to the - Government that a trial be given to the scheme.

I have the honour to be,
Sir,
Your most obedient servant,

L. S. V. Ramaiyer,
Secretary.

K.S.

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,

( )

, the *191* .

Date of issue 13-11-19

Signed by W Srinivasamurthy

Section 97
File No. 65-15
Serial No. 24

No. H 2687
& 13th November 19.

To The Secretary D & C Committee

Sir

I am directed with reference to your letter no 878. d. 8.9.1916. ~~forwarding~~ the opinion of the Manager Bank of Mysore as also that of the D & C committee on the proposal ~~of~~ Establishing a market for Share & Securities in Bangalore I am directed to state that after further Consideration of the questi Govt have taken the view that

regarding

to

and bfwd togrn enclosing copy of letter No 478 & 10th Sept from Secretary M. C. C. Bloss, Secretary stating that the Ch. M. C. would recommend that a trial being given to the Scheme

over.

~~That a trial may be given to his Scheme~~

~~I~~ am accordingly directed.

to request you to be so good as

to place ~~before the views of Govt~~ Municipal

before the Committee ~~so that~~ for being worked up and

a ~~Complete~~ Scheme ~~may be~~ worked up of being ~~submitted~~

~~forwarded~~ to Govt ~~at an early~~

~~date~~. Yours

I have &c

for Secy.

List of enclosure

Copied by

Examined by

D 86—GPB—60,000—15-11-16

D 2223.

No. 1182

Enc.

Financial Secretary's Office
9 JAN 1920
17360

Board of Industries and Commerce Committee,

"BEDFORD HOUSE," HIGHGROUND,

Bangalore, 8-1-1920.

F. 65-15-5

FROM

M.S. Ramachandra Rao, Esq., B.A.,

Board of
Secretary, Industries and Commerce Committee

To

The Financial Secretary to the Government of Mysore,

Bangalore.

Sir,

With reference to your letter, No.2887/G.F.65-15 dated 15th November 1919, regarding the proposal to establish a market for shares and securities in Bangalore City, I am directed to forward herewith, the following resolution of the Committee, passed at their 75th meeting, held on 12-12-1919, recommending the postponement of the consideration of the question until such time as some idea of the working of the newly opened share market at Madras is obtained.

I have the honour to be,
Sir,
Your most obedient servant,

M S Ramachandra Rao

Secretary.

Resolution No.9.

"It was resolved that the question might lie over for the present and that it might be taken up after the experience of the newly opened Share Market at Madras were known".

CB
8-1-20.

Read 8/4/20

Clear Desk

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,

)

, *the* *191* .

Date of issue 8 April /20

Signed by Mr Secretary

Section G 2

File No. 65-18

Serial No. 6.

No. H 7298.

8 April 20

To

The Secretary Board of Dtc:

Sir,

With reference to your letter No 1182 dated 8th Jany 1920 communicating the views of the D & C committee re the proposal of the opening to establish a market for shares and securities in Banga lore city I am directed to ~~state~~ suggest that ~~the question need~~ as not wait until the experience of the working of the newly opened

the same opening the newly opened share market already in point

over.

~~Hari market at Madras is~~

~~gained as besides Hare are in~~

~~Madras~~, there are ~~are~~ six Stock Exchanges ~~and~~ working in India, ~~is~~ 2 in Bombay, 1 in Calcutta and 2 in Ahamadabad, ~~are~~ 1 in Surat.

apart from the newly opened Hari market at Madras

~~I am to suggest that~~ the ~~Central~~ Board may get the required information regarding the working of the Exchanges in ~~the city of their place~~ Bombay, Ahamadabad and Surat and formulate a scheme if possible

I have the

~~Yours~~ for 6/4/26

~~Yours~~ for Financial Secy.

List of enclosure

6/4

Copied by

Examined by

WD 86—GPB—60,000—15-11-16

H Sect

18 MAY 1920

BOARD OF INDUSTRIES AND COMMERCE.

No. 2176
Encl. 1

OFFICE OF THE SECRETARY TO THE BOARD,
"BEDFORD HOUSE," HIGH GROUND,
Bangalore, Dated 17-5-1920.

DIARY No. 3887

31225 FROM

THE SECRETARY TO THE BOARD OF INDUSTRIES AND COMMERCE,
BANGALORE.

1919 - 10 C.D.
Section GF
File No. 65-15
Serial No. 7

To

The Financial Secretary to the Government of Mysore,
Bangalore.

Fesers) 18/5

Sir,

Date 21-5-20

With reference to your letter No.7298/G.F.65-15-6 dated 8-4-1920 suggesting that the Board may get experience of the working of the share markets already opened at Bombay, Surat etc., and requesting to formulate a scheme for opening a Share Market at Bangalore, I am directed to state that the subject was again placed before the Board at their 3rd meeting held on 24-4-1920 and they unanimously resolved to reaffirm their original resolution on the subject passed at their 75th Meeting, that there was no necessity for creating a share market in Bangalore.

I have the honour to be,

Sir,

Your most obedient servant,

M Seetharamiah

Secretary.

M CB 17/5

Proceedings of the meeting of the Board of Industries and Commerce held on 24-4-1920.

X X X X

7. Establishment of a market for shares and securities in Bangalore.

The subject was referred by Government a second time for consideration by the Board. Mr. K.P. Puttanna Chetty remarked that even in a place like Madras there was not business done in the newly started stock exchange and that he considered it quite unnecessary to organise any such institution in Bangalore.

Resolution No.7.

The Board unanimously resolved to reaffirm their resolution on the subject passed at their 75th Meeting, that there was no necessity for creating a share market in Bangalore.

"Extract"